

CALIFORNIA MEDICAL ASSOCIATION

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NOTICES AND REPORTS

Public Funds for Hospital Construction

Within the past few years both federal and state "gifts" have become available for the construction of hospital facilities. Conditions are attached to the receipt of such funds, and legal restrictions are applicable in the granting and use of this type of public subsidy.

The California Medical Association deems it advisable to review the subject of federal or state funds for hospital construction and to express certain principles which the Association submits should be observed by any organization or body considering the *use* of such funds for the construction of hospital facilities.

The following facts in regard to federal and state funds are applicable at this time, and it is upon these facts that the principles enunciated herein are based.

1. Federal funds for the 1950-1951 fiscal year available for California hospitals amount to about \$5,000,000.

2. State funds available for the 1949-1950 fiscal year amount to \$2,000,000. Under state law this amount may be raised to match federal funds.

3. Federal funds are allocated only after approval of the hospital construction project by the California State Department of Public Health; these funds are available to state, county, municipal or voluntary (non-profit) hospitals.

4. State funds are available only to state, county or district hospitals; a state constitutional provision prohibits the allocation of such state funds to any private institution.

5. Federal funds are available only to those hospitals whose applications have been approved by the State Department of Public Health, in accordance with a master hospital plan developed by that department for the entire state and in accordance with other regulations established for the screening of applications for funds.

6. Applications already received by the State Department of Public Health total about \$100,000,000. This sum indicates that a long waiting period lies ahead of any successful applicant for state and/or federal funds in view of approximately \$7,000,000 present annual total available.

7. The allocation of federal funds carries with it the observance of various restrictions, including construction requirements, availability of hospital facilities for all classes of people, and others.

8. The use of state and/or federal funds immediately opens the door to substandard practitioners who claim that the public funds allocated to the hospital constitute a public trust and who demand that they be admitted to the staff of the hospital, regardless of professional status or skill.

9. Opening of hospital staffs to substandard practitioners makes it impossible for such hospitals to maintain recognized internships, residencies or nursing schools. The lack of these services deprives the patient of the best possible care.

10. In the case of "district hospitals" the observance of state legislation relative to professional staff appointments is required. Such legislation now permits practitioners other than licensed doctors of medicine to serve on staffs of "district hospitals." Additional legislation providing an even broader basis of staff membership could be adopted at any future legislative session. In some areas, due to small or scattered population or other definite factors, resort to the "district" method of ownership may be necessary.

In view of these elements, the California Medical Association, acting through its Council, asserts its belief in the following principles, which are offered as a guide to physicians and

others who are seeking means of raising funds for hospital construction:

1. The care of the patient is the chief consideration in the building and maintenance of hospitals and the best possible care cannot possibly be given where governmental restrictions or requirements make it impossible to provide services which would otherwise be available for the good of the patient.

2. The use of state or federal funds for construction of either private or public hospitals should be discouraged. After construction, maintenance costs are continuous and can only be assured through local community support.

3. Funds for hospital construction should be raised by private subscription, by endowment or by other means which are available and which will not entail building, staff or other

restrictions which operate against the good of the patient or which unduly increase the cost of construction. If hospital beds are needed in any community, a real need should be demonstrated to the citizens of the community, who in turn should respond with contributions to a community fund. The experience in Kansas proves that this method is practical.

4. In some areas where a definite need for hospital beds has been demonstrated and where community resources are insufficient to meet the cost of construction, it is recognized that public funds may need to be employed. However, such instances should be few in number and should be most carefully examined to determine the true facts of (1) need, (2) capacity to raise funds by non-governmental means, and (3) ability to maintain and operate after construction.

Change in A. M. A. By-Laws—Membership Dues

To the Secretaries of the Constituent State and Territorial Medical Associations:

The House of Delegates of the American Medical Association at its meeting in Washington, D. C., December 6 to 8, 1949, adopted amendments to the By-Laws of the American Medical Association whereby Division One, Chapter II, Tenure of Membership, has been changed to read as follows:

CHAPTER II

Tenure and Obligations of Membership; Dues

Section 1.—When the Secretary is officially informed that a member is not in good standing in his component society he shall remove the name of said member from the membership roll. A member shall hold his membership through the constituent association in the jurisdiction of which he practices. Should he remove his practice to another jurisdiction, he shall apply for membership through the constituent association in the jurisdiction to which he has moved his practice. Unless he has transferred his membership within six months after such change of practice, the Secretary shall remove his name from the roster of members.

Section 2.—Annual dues, not to exceed \$25.00, may be prescribed for the ensuing calendar year in an amount recommended by the Board of Trustees and approved by the House of Delegates. Each active member shall pay said annual dues to his constituent association for transmittal to the Secretary of the American Medical Association.

An active member who is delinquent in the payment of such dues for one year shall forfeit his active membership in the American Medical Association if he fails to pay the delinquent dues within thirty days after notice of his delinquency has been mailed by the Secretary of the American Medical Association to his last known address.

Any former member who has forfeited his membership because of being delinquent in payment of dues may be reinstated on payment of his indebtedness.

You will note that the following important changes have been made:

(A) The word "Dues" has been added to the title of Chapter II.

(B) Chapter II has been divided into two sections.

(C) The first sentence of Chapter II, which read, "Membership in this Association shall continue as long as a physician is a member of a component society of the constituent association through which he holds membership," has been deleted.

(D) The words "of the American Medical Association" have been added after the word "Secretary" where clarification is necessary.

(E) The sentence, "An active member shall pay dues or assessments as may be prescribed by the Constitution or By-Laws," has been deleted.

(F) The words "in the American Medical Association" have been added after the words "shall forfeit his active membership" in the second paragraph of Section 2.

(G) The sentence forming the third paragraph of Section 2, with regard to reinstatement, is a new addition to Chapter II.

(H) A new paragraph, forming the first paragraph of Section 2, providing for annual dues not to exceed \$25.00 has been added to Chapter II.

The House of Delegates, on recommendation of the Board of Trustees, set the membership dues for the year 1950 at \$25.00.

The full effect of the new provisions will have to be studied and developed during the next year. However, the following interpretations of the amended By-Laws are offered for your guidance at this time:

(a) Active membership in the American Medical Association will continue to be limited to those members of constituent associations who (1) hold the degree of Doctor of Medicine or Bachelor of Medicine, and (2) are entitled to exercise the rights of active membership in their constituent associations as provided in Article 5 of the Constitution of the American Medical Association.

(b) A member of the American Medical Association shall lose his membership in the Association when the Secretary

of the American Medical Association is officially informed that a member is not in good standing in his component society or is delinquent in the payment of the American Medical Association dues established by the above change in the By-Laws.

(c) Forfeiture of membership in the American Medical Association due to failure to pay dues will have no effect on membership in the component or constituent medical societies unless the component or constituent societies amend their respective constitutions and by-laws. It is, therefore, possible that a physician may be a member of his component and constituent societies and at the same time not be a member of the American Medical Association.

(d) The amended By-Laws provide for the collection of the American Medical Association membership dues by the constituent associations for transmittal to the Secretary of the American Medical Association. The detailed method to be adopted by each constituent association will vary in each state. In general, the method utilized by each state for the collection of its own component and constituent association dues should be followed.

Some of the problems involved in the collection and transmittal of dues will be considered in a later communication to you.

It is planned to provide each member of the American Medical Association a membership card and certificate of membership when his dues are paid.

It will be necessary for the Secretary of the American Medical Association to notify those members who are delinquent in the payment of their dues, and this office will, therefore, require a complete list of all active dues paying members.

No changes have been made in the Constitution and By-Laws of the American Medical Association with respect to Fellowship. Eligibility for Fellowship and annual Fellowship dues of \$12.00 remain the same. Under the present By-Laws a Fellow will pay for the year 1950 total membership and Fellowship dues of \$37.00.

The following members may be exempted from the payment of the \$25.00 American Medical Association membership dues: retired members; members who are physically disabled; interns, and those members for whom the payment of such dues would constitute a financial hardship.

No member should be exempted from the payment of his American Medical Association dues who is not exempted from his component and constituent society dues.

GEORGE F. LULL, M.D.
Secretary and General Manager
American Medical Association

Industrial Fee Schedule

Following many months of conferences, the Executive Committee of the California Medical Association has reached an agreement with the compensation insurance carriers on a schedule of fees for industrial injury cases. This schedule has been presented to the Industrial Accident Commission of the State of California, which scheduled a hearing on the proposed fee schedule for February 6, 1950.

The Council has approved and ratified the actions of the Executive Committee, a fact of which the Industrial Accident Commission has been notified.

Included in the agreement with the insurance carriers is the establishment of a continuing joint committee of the Association and the carriers, for the dual purpose of making a continuing study of the fee schedule, with a view toward periodic revisions, and of looking into alleged abuses of the industrial accident provisions by either insurance carriers or physicians. The Association's committee for this purpose will be named by the Council, the insurance committee by the carriers. Thus, for the first time since the industrial accident laws went into effect, 38 years ago, there is a continuing liaison between carriers and doctors. Much good should come from this arrangement.

As soon as the Industrial Accident Commission rules on the proposed fee schedule, the Association plans to send copies to all members.

New Postgraduate Seminar Director

Dr. C. A. Broaddus of Stockton has been appointed director of postgraduate seminars for the Committee on Postgraduate Activities, to succeed Dr. Carroll B. Andrews of Sonoma who resigned effective February 1 because of limited time available for duties outside his own practice.

The Council accepted the resignation with regret and expressed appreciation for the valuable services rendered by Dr. Andrews. He had been serving on a half-time basis since January 1948, and in that time had arranged 18 seminars throughout the state.

Dr. Broaddus, who will serve on a half-time basis with compensation of \$500 a month, was appointed by the Council upon proposal by Dr. John Rud-dock, chairman of the Committee on Postgraduate Activities.

The new director of seminars, a graduate of Western Reserve University Medical College and a practicing physician in Stockton since 1924, has a background of experience in arranging postgraduate programs. He was president of the San Joaquin County Medical Society in 1935 when the Stockton Postgraduate Study Club was formed and has been chairman of the club for several years. In this capacity he has been successful in bringing outstanding authorities to Stockton to address the club, which presents evening courses monthly except during the summer months. Meetings have been well attended not only by Stockton physicians but by physicians from other towns in San Joaquin and surrounding counties.

Brochure on Medical Economics

Plans are going forward for publication by the California Medical Association of a bi-monthly brochure on medical economics to be circulated among medical students, interns and resident physicians in California.

Principal purpose of the publication, plans for which have been approved by the C.M.A. Council, is to "prepare interns, residents and medical students for membership in the medical community and, more specifically, in the California Medical Association."

According to a prospectus drawn up by a special committee which was named by the President of the C.M.A. at the direction of the House of Delegates to study the matter, this will be done by publishing in the proposed brochure:

"1. Editorial and news material designed to properly indoctrinate these men in the principles of free enterprise in which we believe.

"2. Factual material concerning the economics and technique of medical practice.

"3. Light news and gossip of interest to medical students, interns and residents.

"4. An open forum in which the medical students, interns and residents may express themselves."

The committee has recommended that initially the brochure be made up of four 8½ by 11-inch pages. No date for the first issue has been set as yet.

The members of the committee which made the recommendations with regard to the brochure are: Drs. J. Lafe Ludwig, chairman, Los Angeles; Russell Lee, Palo Alto; John Graves, San Francisco; Robert Hainning, Glendale; and Justin Stein, Los Angeles.

In Memoriam

BRAMBLE, EARL G. Died in December 1949, aged 33, in an airplane accident near Banning, California. Graduate of the University of Kansas School of Medicine, Lawrence-Kansas City, 1941. Licensed in California in 1946. Dr. Bramble was a member of the Orange County Medical Society, the California Medical Association, and the American Medical Association.

BURTON, JAMES WILLOUGHBY. Died in Van Nuys, December 20, 1949, aged 40. Graduate of the College of Medical Evangelists, Loma Linda-Los Angeles, 1938. Licensed in California in 1938. Dr. Burton was a member of the Los Angeles County Medical Association, the California Medical Association, and the American Medical Association.

DURR, SAMUEL ABRAHAM. Died in San Diego, December 4, 1949, aged 55, of a heart ailment. Graduate of Northwestern University Medical School, Chicago, 1918. Licensed in California in 1920. Dr. Durr was a retired member of the San Diego County Medical Society, and the California Medical Association.

FROHMAN, BERTRAND SYDNEY. Died in December 1949, aged 55. Graduate of the College of Physicians and Surgeons of San Francisco, 1920. Licensed in California in 1920. Dr. Frohman was a member of the Los Angeles County Medical Association, the California Medical Association, and a Fellow of the American Medical Association.

GLOOR, EUGENE EDWIN. Died in Salinas, March 18, 1949, aged 52. Graduate of the College of Medical Evangelists, Loma Linda-Los Angeles, 1923. Licensed in California in 1923. Dr. Gloor was a member of the Santa Cruz County Medical Society, the California Medical Association, and a Fellow of the American Medical Association.

GOLDBERG, ALBERT TOBIAS. Died in Fresno, December 20, 1949, aged 43, of a coronary occlusion. Graduate of the College of Physicians and Surgeons, Los Angeles, 1921. Licensed in California in 1921. Dr. Goldberg was a member of the Fresno County Medical Society, the California Medical Association, and a Fellow of the American Medical Association.

JENNINGS, ALFRED NORMAN. Died in San Bernardino, November 30, 1949, aged 46, after an extended illness. Graduate of the College of Medical Evangelists, Loma Linda-Los Angeles, 1935. Licensed in California in 1935. Dr. Jennings was a member of the San Bernardino County Medical Society, the California Medical Association, and the American Medical Association.

JOHNSTONE, WILLIAM ARTHUR. Died in Glendale, December 8, 1949, aged 56. Graduate of the College of Medical Evangelists, 1924. Licensed in California in 1924. Dr. Johnstone was a member of the Kings County Medical Society, the California Medical Association, and a Fellow of the American Medical Association.

MCGARVEY, HARRY. Died in Atascadero, November 18, 1949, aged 75. Graduate of Western Reserve University School of Medicine, Cleveland, 1897. Licensed in California in 1914. Dr. McGarvey was a member of the San Luis Obispo County Medical Society, the California Medical Association, and the American Medical Association.

MARKS, SELBY HAROLD. Died in Pittsburg, December 14, 1949, aged 59, of polycythemia vera. Graduate of the University of California Medical School, Berkeley-San Francisco, 1913. Licensed in California in 1913. Dr. Marks was a member of the Contra Costa County Medical Society, the California Medical Association, and a Fellow of the American Medical Association.

MILLER, GEORGE HERBERT. Died in Sherman Oaks, December 20, 1949, aged 70. Graduate of McGill University Faculty of Medicine, Montreal, 1901. Licensed in California in 1923. Dr. Miller was a member of the Los Angeles County Medical Association, the California Medical Association, and the American Medical Association.

SCHUSTER, EMILE GABRIEL. Died in Oakland, December 23, 1949, aged 44, of coronary thrombosis. Graduate of McGill University Faculty of Medicine, Montreal, 1940. Dr. Schuster was a member of the Alameda County Medical Association, the California Medical Association, and the American Medical Association.

WOOD, FREDERICK WEBSTER. Died in Alhambra, December 20, 1949, aged 75, of a heart attack. Graduate of the Hahnemann Medical College and Hospital, Chicago, 1899. Licensed in California in 1920. Dr. Wood was a member of the Los Angeles County Medical Association, the California Medical Association, and a Fellow of the American Medical Association.